

**South Carolina Commission on Higher Education
Large Conference Room
1333 Main Street, Suite 200
Columbia, SC 29201**

**Committee on Access & Equity and Student Services
Minutes of the Meeting
December 1, 2005
9:00 a.m.**

Commission Members Present

Dr. Layton McCurdy, Commission Chair
Mr. Dan Ravenel, Chair
Ms. Rosemary Byerly
Dr. Bettie Horne
Ms. Cynthia Mosteller
Dr. Mick Zais
Mr. James Sanders

Staff Present

Dr. Karen Woodfaulk
Ms. Sherry Hubbard
Ms. Sandra Rhyne
Ms. Karen Wham
Dr. Tajuana Massie
Ms. Laverne Sanders
Ms. Arlene Criswell
Ms. Deborah Henning
Ms. Yolanda Hudson
Ms. Lynn Metcalf
Ms. Camille Brown
Ms. Julie Carullo

Guests

Mr. Charlie FitzSimons-S.C. Independent Colleges & Universities
Ms. Lena Lee-House of Representatives, Education and Public Works Committee

1. Introductions and Approval of Minutes

The meeting was called to order by Chairman Dan Ravenel. Chairman Ravenel asked everyone to introduce themselves to the Committee.

Chairman Ravenel asked for a motion to approve the minutes from the November 3, 2005 meeting. The **motion** was made (Commissioner Bettie Horne), **seconded** (Commissioner Rosemary Byerly) and **carried** to approve the minutes as written.

2. Palmetto Fellows Scholarship

Dr. Karen Woodfaulk reported that the Committee asked Staff to narrow the issues. Dr. Woodfaulk presented the models to the Committee. Dr. Woodfaulk stated in Model 1, Palmetto Fellows would increase the current award amount from \$6,700 to \$7,000 and would cost about \$1.1 million. She stated this is a way to allow the Palmetto Fellows program remain competitive with other states in the South such as Florida and Louisiana.

Dr. Woodfaulk stated that Model 2 provides an increase in the award amount to \$8,500 would cost the State approximately \$6.7 million. Dr. Woodfaulk stated that in Model 3, an increase in the award amount to \$10,000 would cost the State approximately \$12.2 million. Dr. Woodfaulk stated that the Committee asked the Staff to conduct a survey of Palmetto Fellows

recipients and over 100 have been returned so far. She noted that the staff is hoping to receive additional surveys over the Christmas break.

Commissioner Cindy Mosteller commented that while the Committee is discussing an increase in the Palmetto Fellows Scholarship, the Committee should also consider the huge number of LIFE Scholarship recipients. She stated that she would be in favor of raising the award amount for Palmetto Fellows Scholarship recipients to \$7,000 or \$7,500 and raising the initial criteria to a cumulative 3.75 GPA based on the SC Uniform Grading Policy and changing the rank to either the top 5% or the top 10%. The alternative criteria would also change to a 1350 SAT (31 ACT) and a 4.0 GPA. Students would be required to earn a 3.5 GPA to maintain the Palmetto Fellows Scholarship in college.

Commissioner Mosteller stated that she is concerned that a Palmetto Fellows Scholar does not find out he or she is a Palmetto Scholar until December of his/her senior year in high school. At that point, the student is already talking to out-of-state institutions. Commissioner Mosteller would like for the Commission to consider implementing a program to court the best and brightest students in South Carolina, so that they will know what South Carolina institutions have to offer. The program (consisting of college receptions, honors programs, etc.) would better equip students in making an informed decision about college.

Dr. Woodfaulk shared data that Ms. Camille Brown prepared about raising the criteria for the Palmetto Fellows Scholarship. After review, Commissioner Rosemary Byerly commented that it would be difficult to maintain the Scholarship competitiveness. Commissioner Bettie Horne said she would be in favor of Model 1. The Committee agreed with increasing the award amount of the Palmetto Fellows Scholarship to \$7,000.

3. LIFE Scholarship

Ms. Lena Lee commented that in her opinion the General Assembly does not approve of increases in GPA requirements for the LIFE Scholarship Program. Any changes in the scholarship programs should not negatively affect LIFE Scholarship recipients because the General Assembly would want to protect that Scholarship in her opinion. Commissioner Zais commented that the Committee should recommend what they feel is the right course of action.

Commissioner Mosteller proposed changing the initial eligibility criteria for the LIFE Scholarship and decreasing its amount, so that the HOPE Scholarship can be awarded for more than just the freshman year. The rationale for extending the HOPE Scholarship is that there will be a number of LIFE Scholarship recipients that could fall under the HOPE Scholarship if the criteria are changed. Commissioner Zais added that the requirements should be more balanced between merit-based aid and need-based aid.

Ms. Camille Brown shared the data that had been requested. She explained that if Palmetto Fellows initial criteria increased to a cumulative 3.75 GPA, rank in the top 10% of the graduating class, and 1200 SAT score there would be an increase of 128 students receiving the Scholarship. She also explained that if the initial eligibility criteria for the LIFE Scholarship at four-year institutions was increased to two out of the three (a cumulative 3.50 GPA, rank in the top 20% of the graduating class, and score 1100 on the SAT) there would be a decline from 8,533 freshmen receiving the Scholarship to 5,128. If the initial eligibility criteria for the LIFE Scholarship at a two-year institution increased to a 3.5 cumulative GPA the number of students receiving the Scholarship would drop from 1,962 to 658. Ms. Brown also explained that if the

initial eligibility criteria for the HOPE Scholarship increased to 3.25 cumulative GPA and rank in the top 30% of the graduating class, the number of recipients would decline from 2,311 to 1,532. She stated that previously the HOPE Scholarship did not have a rank component.

Commissioner Mosteller asked if the rank component in the proposed model was taken out of the eligibility criteria for the HOPE Scholarship would anyone would lose it. Ms. Brown responded that a number of students would still lose the Scholarship because the GPA would be raised from 3.0 to 3.25.

Commissioner Mosteller stated the proposal could come down to two options, either a shift scenario or a decrease. Commissioner Zais commented that the LIFE Scholarship goes mostly to the middle class students. He stated he would support the shift concept. Chairman Ravenel added that the vast majority of the LIFE recipients are achieving at a higher rate. He stated that the LIFE Scholarship recipients are succeeding in high school at a higher criterion. Mr. Charlie FitzSimons asked about the change in the criteria to change the GPA from 3.0 to 3.25.

Mr. FitzSimons asked what the worst case scenario for a student would be if they lost the LIFE Scholarship. Commissioner Zais stated that students who have a low SAT qualify in large numbers based on top the 30% and a 3.0 GPA for the LIFE Scholarship. He stated that if the initial eligibility criteria are changed from 3.0 to 3.25 they still do not have an 1100 SAT so they fall out altogether. Mr. FitzSimons stated they would then receive a HOPE Scholarship if its initial criteria remained at a 3.0 GPA. Dr. Woodfaulk explained that the students do not lose their scholarship all together, but they would drop down to the HOPE Scholarship. Ms. Brown also explained that if all the data are not available when she pulls it based on the new calculations, she would not include them. Students with missing data are not included in the estimates. They are included in the new calculation.

Commissioner Mosteller stated that based on what Ms. Lee said about the General Assembly, does the Committee want to discuss the scenario of decreasing the amount of the LIFE Scholarship, especially during a time when the State is faced with the economic reality of the NC Lottery? Chairman Ravenel asked Ms. Lee if the legislators considered increasing scholarships. Ms. Lee responded that priority should be given to either need-based funding or the Need-based Grant. She also stated she would have started with the Need-based Grant before proposing any changes to the Palmetto Fellows Scholarship. She commented that socio-economically, students who receive LIFE Scholarships may not qualify for a Need-based Grant. She thinks the Need-based money should be increased, because the legislators are going to fund the Palmetto Fellows Scholarship Program.

Commissioner Zais recommended that the Commission increase the Palmetto Fellows to \$7,000, LIFE at a four-year institution to \$4,000 and increase HOPE to \$3,000. He also stated that the criteria need to be raised, starting with the GPA. Commissioner Zais stated savings are realized when the GPA requirements increase. Chairman Ravenel suggested tabling the discussion until the Need-based Grant was discussed.

4. Need-based Grant

Dr. Woodfaulk stated that there is a concern that the neediest students are not receiving funding. Dr. Zais commented that some institutions are getting more money than other institutions. Dr. Woodfaulk stated that there are more low income students at some institutions; at the present distribution formula is based on FTE enrollment not need. Ms. Julie Carullo

pointed out that the current distribution formula for the Need-based Grant involves looking at each institution's full-time enrollment. Dr. Woodfaulk stated institutions with a large student enrollments have to spread funds farther than those with fewer students. She noted that the current methodology needs to be revised.

Ms. Brown provided an overview of a proposal regarding awarding the Need-based Grant based upon the number of Pell Grant recipients at each institution. She explained how the current Need-based Grant funding is split among the institutions. She stated that approximately 82% of the money goes to the public institutions and 18% go to the independent institutions. This is based on the number of full-time, degree seeking undergraduate students from South Carolina. She pointed out that the proposal would shift the distribution of funds to 79% going to the public institutions and 21% to the independent institutions. In the research sector, the distribution of funds would shift drastically from 21% to 11%. In the technical colleges, the distribution would increase from 33% to 41%. Dr. Woodfaulk noted the data indicates that fewer needy students Pell Grant recipients are enroll at the research institutions. Commissioner Mosteller said it is an unequal distribution. Commissioner Zais stated many of the private schools, with a few exceptions, serve blue collar and middle-class students in the state. Dr. Woodfaulk stated that should the occasion present itself, setting a flat award amount for the Need-based Grant would allow students to transfer the same amount of funding to another institution similar to the way state scholarships are handled. She also stated that the Commission would like to move toward what the Tuition Grant Program provides to the independent schools.

Dr. Woodfaulk pointed out that in Model 3, the amount is increased to \$2,600 for full-time students. Commissioner James Sanders commented on the inaccuracy of the Need-based program. He stated before a vote is taken the numbers should be reconfirmed because the money is not adding up. He suggested talking to the legislators and to talk on these suggestions. Chairman Ravenel stated the discussions have been going on for a few months.

5. Lottery Tuition Assistance Program (LTAP)

Dr. Woodfaulk explained that the law for the Lottery Tuition Assistance Program stated that students would have to be degree seeking and enrolled in a minimum of six credit hours. She further explained that in order to make sure that dually-enrolled students were not penalized; the Commission had issued moratoriums to hold the students harmless. This allowed CHE to change the status of dually-enrolled students to degree seeking students. CHE stated that they would no longer issue moratoriums after Spring 2005. This was confusing because it was thought that dually-enrolled students would no longer be able to receive LTAP. However, it has been called to our attention that the moratorium is no longer needed due to new legislation and changes in regulations. Students can continue to receive LTAP without it affecting their initial eligibility for the LIFE or HOPE scholarships.

Ms. Lee added that several things were attempted by CHE to help students. She stated that the FAFSA requirement was removed. She stated that continuing education students will be a new problem this year. Dr. Woodfaulk explained that one concern is that some high schools only allow for students to take three hours of college level courses, so they cannot receive LTAP because LTAP mandates a minimum of six credit hours. She stated that legislation and regulations were reviewed and initial college enrollment will not begin until after high school graduation and those students will be protected to make sure they are not jeopardized in terms

of receiving awards from other scholarship programs. Chairman McCurdy stated that he has heard from some schools with concerns.

Mr. Sanders inquired if the Need-based Grant program had the statement based on the Pell Grant criteria in the regulations, then a student receiving the Need-based Grant can almost go to a technical school with free tuition. Dr. Woodfaulk explained that the amount of the Pell Grant ranges from \$200 to \$4500. The Pell Grant can be used towards the cost-of-attendance. Dr. Woodfaulk pointed out that if students receive a Pell Grant then their LTAP award will be reduced because LTAP can only be used towards the cost of tuition. She stated, however, students have to pay more than tuition to attend technical colleges. Mr. Sanders said it would allow more students perhaps to have an opportunity to go to a two-year institution to get their basic courses and then transfer to a four-year institution.

Chairman Ravenel closed the meeting by recapping the decisions that had been made.

- Raise Palmetto Fellows to \$7,000 per academic year
- Keep the LIFE Scholarship at \$5,000 per academic year at the four-year institutions. The initial eligibility criteria at a four-year institution would change to two of the three following criteria: a cumulative 3.5 GPA, top 25% of the graduating class, and 1100 SAT/24 ACT. The initial criteria for a two-year institution would change to a cumulative 3.5 GPA. To retain the scholarship, a student would need to maintain a 3.25 LIFE GPA.
- Raise the HOPE Scholarship to \$3,000 per academic year. The scholarship would also change to a four-year scholarship, similar to the LIFE Scholarship. The initial eligibility criteria would be a cumulative 3.25 GPA. To retain the scholarship, a student would need to maintain a 3.0 GPA.

The staff was asked to develop a fiscal impact for the above changes. Mr. Ravenel stated the next step is to present the proposal to the General Assembly during the 2006 legislative session.

Chairman Ravenel asked for a motion to adjourn the meeting, Commissioner Byerly moved and Commissioner Horne seconded.

The meeting was adjourned at 10:35 am.

Respectfully Submitted,

Laverne Sanders